

# INSIGHTS

**108th Congress** 

May 17, 2004

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*INSIGHTS* is prepared expressly for the Department of Energy's Office of Federal Energy Management Programs (FEMP). The purpose of *INSIGHTS* is to provide FEMP management staff with timely information on legislative activities relevant to the program. *INSIGHTS* is prepared for FEMP by Energetics, Incorporated, (202) 479-2748.

# I. WEEKLY SUMMARY

#### **CONGRESSIONAL SCHEDULE**

No pending activities of interest to report.

## **FY 2005 Appropriations**

Although Congress has yet to resolve differences over the non-binding *FY 2005 Budget Resolution*, the House appears to be moving forward on establishing the "302 (b)" allocations for the 13 annual appropriations bills. Last week, Bill Young (R/AK), Chairman of the House Committee on Appropriations met with the chairs of the 13 appropriations subcommittees to establish funding levels for each subcommittee based on total FY 2005 discretionary spending of \$821 billion. The full committee is expected to begin marking up the bills after the Memorial Day Holiday with the intent of completing the process in the House before Congress recesses in late July.

Meanwhile, in the Senate, no similar action has been reported; the Senate is insisting on a "pay go" provision in the *FY 2005 Budget Resolution* to ensure that any new tax incentives or program funding initiatives are offset by additional revenue measures. Earlier this year, Ted Stevens (R/AK), Chairman of the Senate Committee on Appropriations issued a number of statements in which he said it would be very difficult to pass most, if not all appropriations bills this year because of the compressed work schedule and pending fall election.

#### **COMPREHENSIVE ENERGY LEGISLATION**

No further progress has been made on the policy and programmatic provisions of pending comprehensive energy legislation. The House, under the leadership of Majority Leader Tom Delay (R/TX) has said that the controversial provision dealing with MTBE must be included in a final House – Senate compromise if the House is to pass such a bill. However, there remains enough Senate opposition to the provision to prevent approval in the Senate.

Progress was made last week when the Senate passed the energy tax incentive package, which was attached to an unrelated bill, *S.* 1637 – Foreign Services Corporation/Extraterritorial Income Tax Act. The \$18 billion energy tax package includes incentives for energy efficiency and renewable energy as well as other sources of energy (e.g., nuclear, natural gas, oil). Once the bill is "scored" by the Congressional Joint Committee on Taxes, the cost is expected to be even higher.

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# II. COMMITTEE ACTIVITY

#### HOUSE

## Legislation

**S.** 2400 – FY 2005 Defense Authorization – Passed the Senate on May 11. Unlike other authorization bills, funding levels specified in the annual Defense Authorization bill are generally adopted by the corresponding appropriations subcommittee (Armed Services). Key provisions related to military facilities include the following:

## Base Realignment and Closure (BRAC)

➤ Delays the next round of the process until FY 2007

#### Military Construction

- > Army \$1.563.8 billion
- Navy \$815.6 million
- ➤ Air Force \$466.5 million
- ➤ Defense Agencies \$465.6 million

#### Family Housing

- ➤ Army \$394.9 million
- Navy \$27 million
- ➤ Air Force \$57 million

#### **Energy Conservation**

➤ Provides \$60 million

## <u>Defense Follow-On Laboratory Revitalization Demonstration Program</u>

➤ Implementation of minor military construction projects to improve laboratories – increases maximum amount for minor projects and within 30 days of enactment, directs Secretary of Defense to designate laboratory construction projects and establish review and approval procedures. Authority extends until September 30, 2006.

#### **Summary of Hearings**

**BRAC Delay** Last week, the Committee on Armed Services voted to delay by a period of two years, the next round of base closures. Subcommittee on Readiness Ranking Minority Member, Solomon Ortiz (D/TX) said in response to the decision to delay the closure that the Department of Defense "is making too many changes right now to be making permanent BRAC decisions... When a base is closed, the asset

is forever lost [for] the military. We have fundamental decisions about overseas basing, transformation and major military deployments before we make BRAC." Eight criteria are used to select base closure sites, one being costly environmental concerns dealing with restoration of the property among other environmental tasks. The next round of base closures was scheduled for 2005.

**Subcommittee Considers Fuel Cells at National Parks** The Subcommittee on National Parks, Recreation, and Public Lands (Committee on Resources) held a field hearing at Grand Canyon National Park on May 15. The purpose of the hearing was to obtain input on the potential for installing fuel cell generators and vehicles in the Nation's national parks. Hearing details will be provided in the next issue of *INSIGHTS*.

#### **SENATE**

#### Legislation

No new legislation of interest to report.

## **Summary of Hearings**

No new hearings of interest to report.

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# III. NEW LEGISLATION

(Note: Once a new bill is introduced, the Government Printing Office generally requires from several days to one week to make the bill available in print)

#### HOUSE

Number	Short title	Date	Sponsor	Status	
H.R. 4297	No Short Title	5/5/04	Michael Simpson (R/ID)	Referred to Committee on Agriculture	
	renewable energy	Amends Farm Security and Rural Investment Act of 2002, to provide loan guarantees for renewable energy projects using biomass material. Loan guarantee shall not exceed 80 percent of the total project cost.			
H.R. 4322	No Short Title	5/11/04	Duncan Hunter (R/CA)	Referred to Committee on Armed Services	
		Provides for the establishment of the headquarters for the Department of Homeland Security in the District of Columbia, among other purposes.			

#### **SENATE**

No new legislation of interest has been introduced.

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# IV. ADMINISTRATION INITIATIVES

No new announcements of interest to report.

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# V. HEARINGS SCHEDULE

## **HOUSE - COMMITTEE ON APPROPRIATIONS**

No activities of interest have been scheduled.

## **HOUSE - AUTHORIZATIONS/OVERSIGHT**

No activities of interest have been scheduled.

## **SENATE - COMMITTEE ON APPROPRIATIONS**

No activities of interest have been scheduled.

# **SENATE - AUTHORIZATIONS/OVERSIGHT**

No activities of interest have been scheduled.

# **CONFERENCE COMMITTEE NEGOTIATIONS AND FLOOR VOTES**

No activities of interest have been scheduled.

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